Development (Plan) (1947) Department.

Ms. SERIES.

G.O. No. 5542

Dated 1-12-1947

[Despatch Abstract.]

Post-War Development - Assessment of the effect of Development Programmes - Government of India's Letter - Re;ief to - Papers Recorded -

No.333/RC.

GOVERNMENT OF INDIA.
Development Board.

New Delhi, the 19th ØNov.1947.

To
The Joint Secretary to the Govt. of Madras,
Development Deptt.,
Fort St. George, Madras.

Subject:- Assessment of the affect of development programmes.

Sir,

With reference to your letter No.417 P&D.VI/46-13, dated the 8th November, 1947, I am directed to state that pending a decision on the question of the future machinery for planning, it will be some time before a final reply can be sent to the Provincial Government.

I have the honour to be etc.

(Sd.) R.Jagannathan,
Asst. Secretary, Development Bd.

Please see the letter from the Govt. of India Dev. Bd. on p.33 c.f. In view of Govt. of India's remarks at 'A' on p.33 c.f., it is perhaps unnecessary to keep this file open indefinitely. The papers may be recorded.

(Sd.) xxx

27.11.47.

G.O.Ms.No.5542 Dated 1-12-1947.

Post-War Development - Assessment of the effect of Development programmes - Govt. of India's letter - Replied to - Papers recorded -

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/True Copy/

R. Jagannathan 12/5
Office Assistant,

Madras Record Office.

gs/24-12/

12/12/54.

Copy of No.333/RC., dated 16th August, 1946 from the Govt. of India, Development Board, New Delhi addressed to All Provincial Govts.

Sub: Assessment of the effect of development programmes.

I am directed to address Provincial Governments on the subject of a statistical assessment of the effect of 5-year development programmes on the economy of the country. With effect from next year, very large sums of money, vastly greater in magnitude than at any time in the past, are going to be spent on development schemes of a most comprehensive character and it seems essential to the Government of India that there should be in continuous operation a statistical machinery which would enable the Governments concerned to see, perhaps at the end of each year but certainly at the end of the 5-year period, what the effect of the programme has been on the general economy. Without such a statistical computation it will be difficult to detect whether sums are being dissipated on schemes which do not add to the economic well-being of the country. Moreover the psychological impetus given by watching progress on a statistical basis will itself be a factor of value and importance.

2. The data required would consist of a large number of different elements, such as for instance, increase in the production of food, increase in literacy, vital statistics, and so on. The present position in regard to statistics on these and various connected subjects is not wholly satisfactory and the Government of India have recently devoted considerable attention to the question of filling up the gaps which now exist; and a letter on this subject has already been issued to Provincial Governments. Although the available serial statistics, even as they are, furnish a idea of the progress achieved from year to year in particular fields, those statistics have to be synthesised and supplemented by a new series of statistics before they can provide an easily intelligible guide to the general economic position. It appears to the Government of India that there can be no better all-round indicator of economic progress than an estimate of the increase in the "national" income of each Province from year to year, and they hope, therefore, that it will be possible for all Provincial Governments to set up the necessary machinery for working out estimates of "national" income.

3. Several provinces, it is understood, will be undertaking "concentrated area" schemes and applying in selected areas, intensively and simultaneously, schemes of development and improvement under all heads. The rules of the economic drive in the areas can perhaps best be measured by a comparison of the levels of consumption and of the extent of rural indebtedness and savings before and after the drive in addition to an examination of the statistics under individual heads of the type mentioned in the previous paragraph. For this purpose it would be necessary to undertake economic surveys in the areas concerned before the concentrated area schemes are inaugurated and after their execution, e For these surveys, villages would have to be selected on the "random sample" principle and in the villages so selected a house-to-house investigation made by experienced investigators.

4. I am directed to enquire, in the first instance, whether the Provincial Government of Madras accept the conclusions stated in this letter, namely that:-

(i) In addition to improving the quality and quantity

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*vide Commerce Deptt. letter No.Ec.Ad.IDc.t/I, dated the 15th May 1946 concerning the report of the Inter-Departmental Committee on official Statistics.

P.T.O.

(i) In addition to improving the quality and quantity of the existing departmental statistics, it is necessary to set up suitable machinery for the preparation of estimates of "national" income of the province from year to year during the 5-year period of the operation of the plan and, if possible, for the year preceding the inauguration of the plan.

(ii) In "concentrated" areas economic surveys should be conducted on a "random sample" basis with a view to determining the improvement in the levels of consumption, the drop in agricultural indebtedness and the increase in savings.

5. Questions of detail such as the nature of the staff that may be required and the statistical technique tha has to be followed in the investigations arise, no doubt in the above connection, but the Government of India are of opinion that those matters may with advantage be considered later.

Copy to Chief Commissioners, Delhi etc.

PUB(D.B.) Deptt.

Endt.417/46-1, dated 6-9-1946.

Referred to the Board of Revenue for very early remarks.

(Sd.) xx
6-9-1946.

To
The Board of Revenue. (with enclosure)

GOVERNMENT OF MADRAS
Public(P.&D.VI Department

Letter Ref.No.417/46-7 dated 18-11-1946.

To
The Secretary, Development Board,
Government of India, New Delhi.

Sir,

Assessment of effect of development programmes - Government of India (Development Board) letter No.333/RC., dated 16-8-1946.

I am directed to say that the Madras Government accept the conclusions set out in paragraph 4 of the letter quoted above. They presume that the Government of India will in due course communicate to them the details of the statistics to be collected.